

## Financial Copy Editing: The Words You Choose

ACES New Orleans

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Christine Steele, The Capital Group Cos.

1. Careless language has an impact and can ultimately be detrimental to a business, especially in finance or investment where someone else is managing your money.
2. Vocabulary can describe an approach; it is not a style.
3. Financial portfolios are responsibilities: moral, legal or mental accountability; reliability, trustworthiness.
4. Whether in the midst of a corporate scandal or a bad quarterly financial report, a company's communication with the public must be proactive, consistent and ongoing. If the words are right, there is no such thing as overkill. (from resource listed on page 3, page 129)
5. How you speak determines how you are perceived and received. But creditability and authenticity don't just happen. They are earned.

Watch your thoughts: They become your words.

Watch your words: They become your actions.

Watch your actions: They become your habits.

Watch your habits: They become your character.

Watch your character: It becomes your destiny.

*Untitled poem from an anonymous Buddhist monk*

### **bet(s)/betting**

Associated with gambling. Avoid use as in these examples. Use other word choices noted in parentheses or similar.

- o The best **bets** are those companies that have strong earnings. (opportunities, prospects)
- o The market's negative tone did not have options traders pressing their **bets** to the downside. (investments, interests)
- o Thursday's economic reports, on net, were disappointing to those **betting** the dollar could continue to stabilize. (speculating)

### **book of business**

The phrase dehumanizes the adviser-client relationship and "book" is somewhat impersonal. If it's appropriate, use "build your business."

**credit union vs. bank** — Credit union creates the perception of being small, intimate, kind and caring with friendly people inside. A bank conjures up visions of concrete buildings and unattainable wealth. Also being a "member" of a credit union instead of a bank "customer" sounds more participatory and friendly.

**crisis** — Instead of playing into the hysteria that others seem to promote, substitute words like "turmoil," "turbulence" or "dislocation," as appropriate. The idea is to acknowledge economic and market realities without playing into that hysteria.

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**expert/expertise**

It could have a legal connotation. The word(s) suggest that one will be held to a higher standard if the claim is made. Instead use: “experience” or “knowledge.”

**foreign** — Use more appropriate words. Instead say “outside of the U.S.,” but not always; it doesn’t mean “not in the United States.”

- “Outside of the U.S.” refers to companies based outside of the U.S. but that are active in the U.S. and employ a number of Americans.
- “Global” and “international” are also other word choices. “Global” means encompassing the U.S. plus outside of the U.S. “International” means outside of the U.S.
- Instead of “foreign trade” say “international trade.”

*Exception:* The IRS has a foreign tax credit for individuals so OK to use “foreign” in this context.

**gaming vs. gambling** — “Gaming” is more friendly in the industry and is what families do together (at a family-friendly resort). “Gambling” suggests a bad habit and engages risky behavior.

**portfolio counselor vs. portfolio manager** — One of the definitions of “counsel” in the dictionary is “advice or guidance, esp. as solicited from a knowledgeable person.” In relation to “counselor,” using this term in the industry over “manager” can demonstrate that a company is operating on the shareholder’s behalf and it reinforces the idea of a professional relationship/ partnership between the counselor and the shareholder. Managers, by definition, tend to dictate and/or exert control — sometimes to the benefit of only themselves.

**nobody knows/no one knows** — Banish any and all phrases such as this, e.g., “No one knows where equity markets are headed.” “Nobody knows why the market fell.” While no one may know the specifics, our investors have entrusted us with their hard-earned assets and look to us to create positive long-term investment results for them. We need to tell our readers something that we do believe in. These phrases make it seem like we are at the mercy of the market.

**performance** — Use “investment results” rather than “performance” — a term widely used in the investment industry. You could say that when “performance” is applied to the investment process, it indicated a public presentation or exhibition and focuses attention on the investment manager rather than the shareholder. Investors entrust firms with their hard-earned assets and look to these firms to create positive long-term investment results for them, not just a great performance here or there. Focus instead on the client by using “investment results,” “results” or “returns.”

**customers vs. clients** —Focus on “clients” not “customers.” A company would want to strive to fulfill client needs versus wants.

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**sales/sell/marketing, and related language —**

- Sales/selling may imply that a company is offering something that one doesn't need or want and that the central purchase is the most important (or only) part of a broker-shareholder relationship. Brokers don't just "sell" funds, they advise their clients about investing in them, owning them and ultimately redeeming them in retirement. Could substitute with "advise" or "educate" where applicable.
- Sometimes language tied to sales or an income can suggest competition or related concepts to improving productivity. Instead of "improve productivity," replace with "strengthen your business practices."
- Avoid talking about taking a business to the next level. It suggests above and beyond, which can't always be promised. Saying that an adviser can become a top seller is also avoided because it suggests competition and comparing.

**Old words new meanings**

Challenge/problem/issue

1. Issue – euphemism for problem, too harsh and stark for our times. Companies face issues and challenges, never problems.
2. Challenge implies competition.
3. Problem is threatening and negative and suggests failure.

## What's wrong with these sentences?

1. Although no one can predict exactly the course and conditions of the financial markets, we'll offer you help to put your investments in a better position to participate in an eventual recovery.
2. Extreme market conditions often lead investors to take extreme actions, such as cashing out of their investments and waiting for a better time to invest.

3. Same theme:

Making regular investments can help take the guesswork out of when to invest.

Another option is to stay the course.

The downside of getting out is investors can end up with significantly less than their original investments.

Fixed income is currently used to provide a base level of coupon in an investment-grade portfolio.

4. We truly appreciate the willingness of our shareholders to stick with us during an extremely challenging period, and we recognize that this was not an easy decision. Thank you for your confidence in us.
5. Today we will be discussing the fixed income funds, and digging down to give some characteristics and analysis of the specific American Funds bond funds.

## ANSWERS

1. Although no one can predict exactly the course and conditions of the financial markets, we'll offer you help to put your investments in a better position to participate in an eventual recovery.

Banish phrases like "no one can predict" and "no one knows." While no one may know the specifics, investors have entrusted money management firms with their hard-earned assets and look to them for creating positive long-term investment results for them. Phrases like "nobody knows," "no one knows," and "no one can predict" make it seem like a company is at the mercy of the market.

2. Extreme market conditions often lead investors to take extreme actions, such as cashing out of their investments and waiting for a better time to invest.

You just scared the reader by saying that investors are taking extreme actions and cashing out all their money. They might think they should do the same.

**Revision:** Recently, some investors may have cashed out of their investments due to fear and may now be waiting for a better time to invest.

3. Be precise. Explain better to help the reader.

**Original:** Making regular investments can help take the guesswork out of when to invest.

*Explain what the guesswork is.*

**Revision:** Investors who stick to a program of regular investing can fare even better than those who held their investment for an entire period. (Sentence accompanies a hypothetical investment in a chart.) By making regular investments, these investors were able to buy more shares when prices were lower, allowing them to take advantage of the fund's long-term growth.

**Original:** Another option is to stay the course.

*Explain how to stay the course.*

**Revision:** Investors who held their investment for the entire 10-year period were able to weather a decline because they were still invested as the fund's results improved.

**Original:** The downside of getting out is investors can end up with significantly less than their original investments.

*What is meant by "getting out"?*

**Revision:** The downside of selling is that investors may end up with significantly less than their original investments.

**Original:** Fixed income is currently used to provide a base level of coupon in an investment-grade portfolio.

*What does "base level of coupon" mean?*

**Revision:** TBD. Don't be afraid to ask questions. If you don't know, the reader may not know either. In fact, the writer didn't know when asked and was to get back to me after the conference.

## ANSWERS *(continued)*

4. We truly appreciate the willingness of our shareholders to stick with us during an extremely challenging period, and we recognize that this was not an easy decision. Thank you for your confidence in us.

What is meant by "challenging period"? Without the broader context, it sounds like the company is struggling and they are just happy and grateful the shareholder "stuck with us" in the midst of struggles. Maybe the broader context discusses the challenging and volatile market environment, but the paragraph could imply and emphasize that the company is challenged.

It might also be presumptuous to state that "it wasn't an easy decision." In reality, we don't know. The company could have shareholders with a genuinely long-term perspective who have tremendous confidence in the company and weren't wracked with doubt about "sticking with us."

5. Today we will be discussing the fixed income funds, and digging down to give some characteristics and analysis of the specific American Funds bond funds.

**Revision:** Today we will be discussing the fixed-income funds and providing some characteristics and analysis of our specific American Funds bond funds.

"Digging down" isn't polished or mature for a corporation, and it isn't clear. What is the intended message? Voice expresses a company's basic personality, for example, it could be practical, authoritative, trendy, etc. A company with a consistent voice can communicate in different tones, depending on the topic at hand, but this one isn't appropriate for an adviser or shareholder audience.

Also, don't forget the hyphen between "fixed income" when it modifies a noun. And before "specific," "the" was changed to "our."

## Asset manager scrubs its language

Mark Cobley, *Wall Street Journal*, February 6, 2009

Martin Currie says 'bets' is too macho, decries 'space' as 'frontier of bad English.'

In these times of doom and gloom, it is good to know there is a lighter side of the asset-management industry. We are speaking, of course, of Scottish fund manager Martin Currie Ltd. and the enjoyment to be had from perusing its list of words and phrases now banned from client reports and trustee meetings.

Two that caught Deal Journal's eye are "foreigner" -- said to be common in Japanese market reports but just a 1980s pop group to the fund manager -- and "space," which Martin Currie suggests is the "final frontier of bad English."

Amusing as it might be, the list also is a reminder that in this difficult market environment, there has never been a greater need for clarity and precision, as well as a mutually comprehensible vocabulary for financial experts and the outside world. Here are some of the now-banned phrases, together with the reasoning behind each:

- "Bets" -- Unnecessarily macho. Clients hate it. Use "positions" instead.
- "Going forward" -- Almost always unnecessary. Remove it and improve it.
- "Backdrop" -- Overused metaphor. Replace with "environment."
- "On the back of..." -- Ditto. Better alternatives are "following" or "after."
- "Headwinds" and "tailwinds" -- Ditto. Prefer "positive trends" or "negative trends."
- "Perfect storm" -- So overused it has quickly become a cliché. Alternative: "unprecedented circumstances."
- "Foreigner" -- A 1980s pop group. Common in Japanese reports. Derogatory. Martin Currie prefers "international investors."
- "Names" -- As in "we invested in two new names." Odd terminology. Use "stocks" or "companies" instead.
- "Track record" -- Another over-used metaphor. Just "record" is fine.
- "Is primarily engaged in" -- Cumbersome and unnecessary. "Does," "manufactures," "makes" and "sells" are all simpler and easier.
- "Musings" -- Too lightweight. Martin Currie thinks or analyzes, it doesn't "muse." Write "thoughts" instead.
- "Aggressively" -- More muscle-flexing. Better options available, like "sharply," "suddenly" or "with conviction."
- "Space" -- As in "competing in this space." The final frontier of bad English. Use "part of the market" or "sector."
- "Drawdown" -- Trying to soften the blow with jargon. It means a loss or a fall.
- "Taking money off the table" -- Another gambling analogy. Prefer "reducing risk" or "cutting exposure."